



## MONTHLY CORPORATE UPDATE DECEMBER 2004

This Corporate Update is the latest in a continuing series. These monthly reports will provide updates on Tri-Vision activities. Please check back here each month to ensure you are kept abreast of developments. News releases will continue to be used for major changes in company information.

This Past Month:

1. Tri-Vision Reports Profitable Second Quarter
2. Tri-Vision Responds to CEA Petition to FCC
3. The Family Beat Examines TV/ Video Impact on Children
4. FCC Report & Order Issued November 23, 2004
5. NCTA Updates Congress on it's V-chip Education Initiative
6. New Research Reports on Tri-Vision
7. Various Tri-Vision CATV and Licensing Activities

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### This Past Month:

#### 1. Tri-Vision Reports Profitable Second Quarter

Tri-Vision released its unaudited financial results for the three months ended September 30, 2004 during November. It reported a net profit during the quarter of \$125,040 with fully diluted second quarter earnings at \$0.002 per share. Cash and cash equivalents increased significantly to \$6,016,347 compared to \$4,520,912 for the same period last year.

While the quarter was profitable, there were no new benchmarks set. Because of the recent FCC mandating of the "Open V-chip", Tri-Vision expects its licensing program to start to yield returns to the bottom line through 2005 and 2006 as the DTV rollout hits full speed.

Read News Release [Here](#)

#### 2. Tri-Vision Responds to CEA Petition to FCC

Tri-Vision responded to questions raised by the Consumer Electronics Association (CEA) Petition to the Federal Communications Commission (FCC) dated November 3, 2004. The Petition requested clarification of the newly adopted FCC rules regarding the functioning of the V-chip in digital television receivers and requests an examination of intellectual property issues.

The Company's response submitted on November 22, 2004 was made public by the FCC November 23, 2004.

Tri-Vision is pleased that the Petition acknowledges the Company's IP and that the Petition does not affect the Company's ability to continue licensing digital receiver manufacturers. The CEA Petition states: "In plain terms, the FCC wants to ensure that TVs have the capability to respond to a future U.S. rating system not specified at the time the DTV was manufactured. CEA fully supports that goal."

Read Tri-Vision News Release on Petition [Here](#)

Read Tri-Vision Opposition to the Petition [Here](#)

#### 3. The Family Beat Examines TV/ Video Impact on Children

In a series of articles this month (November), The Advocate's sister publication, The Family Beat, takes an in-depth look at the effects of television and video on children.

According to a national survey done by the Kaiser Family Foundation (1,001 parents of children age 2 to 17) this past summer and released in September, a majority of parents support regulations restricting sexual and violent television content viewed by children, but few parents are using V-chips, which are usually available in new TV sets.

Read Entire Article [Here](#)

#### **4. FCC Report & Order Issued November 23, 2004**

The Federal Communications Commission published the long awaited report and order on Children's Television obligations of Digital Television Broadcasters. The Notice of Proposed Rule making has been debated since 2000. The Order deals specifically with V-chip functionality, and specifically quoted Tim Collings, agreeing with his comment that "technical standards for DTV should permit the V-Chip system to be improved upon, and should support Multiple Rating systems. (V-chip commentary paragraphs 60-65)

Read Entire Report & Order [Here](#)

#### **5. NCTA Updates Congress on its V-chip Education Initiative**

A Letter to the Honorable Joe Barton, Committee on Energy and Commerce, United States House of Representatives Commends Consumer Education Initiatives undertaken by NCTA.

The National Cable and Television Association and Cable in the Classroom have undertaken initiatives aimed at assisting viewers in making informed decisions about what they watch on television and to give parents and families greater control over the content entering their home.

Read Entire Letter [Here](#)

#### **6. New Research Reports on Tri-Vision - Northern Securities Renews Strong Buy, eResearch Renews Buy Recommendation for Tri-Vision**

Analyst Bob Leshchyshen of Northern Securities Inc. says on November 17, 2004 the CEA Petition "seems not to affect TVL's ability to continue licensing V-chip technology to digital television receiver manufacturers" and sets a one year target of \$2.35.

Analyst David Cohen of eResearch issued an update to his Research Report on Tri-Vision on November 24, 2004 advising a "Buy" recommendation with a target of \$2.00 within the year.

The updates ensures the investment community full understands that the recent CEA Petition to the FCC should have little if any impact on Tri-Vision's licensing program.

Tri-Vision is well underway with its licensing program, strengthened by the fact that the FCC Report & Order became law on November 4, 2004 and manufacturers are interested in signing licenses for Tri-Vision's patented v-chip technology. The Petition does not affect the March 15, 2006 deadline for V-chip compliance outlined in the Report and Order.

Read Northern Report [Here](#)

Read eResearch Report [Here](#)

#### **7. Various Tri-Vision CATV and Licensing Activities**

Tri-Vision is active in its new concerted licensing phase based on the FCC's mandate that all digital television receivers must have the ability to modify ratings. The Company has licensed the majority of televisions sold in Canada and will continue to concentrate on licensing of its US Patent through its offices in Japan and Canada.

Read Federal Register Document [Here](#)

Those companies, which have not already licensed for the US Patent are expected to follow the

FCC mandate of PSIP that includes "Open V-chip" and therefore are expected to sign licensing agreements with Tri-Vision.

Tri-Vision is of the belief that the V.gis™ V-chip invented by Professor Tim Collings is the only known patented technology that is capable of allowing ratings to be modified without disruption to customers. Tri-Vision has the sole rights to U.S. Patent No. 5,828,402 (the '402 Patent) and Canadian Patent No. 2,179,474 (the '474 Patent) covering these mandated V-chip features. Tri-Vision has granted licenses to many major television manufacturers thus far under one or both patents. The unique 'open' or updateable Tri-Vision V-chip, which is also described in Digital TV specification documents, specifically, in the Advanced Television Systems Committee ATSC A/65B standard, the Electronics Industry Alliance 766-A standard and CEA Engineering Bulletin CEB12A, is now the mandated standard for digital television in the United States.

Tri-Vision is providing information necessary for the licensing to proceed for all companies known to be manufacturing televisions and/or offering them for sale in the United States and Canada. While the contracts may take some time to finalize due to their complexity, the long-term nature of the licensing and the potential value of these contracts, the success-to-date is clear evidence of Tri-Vision's dedication to its long-term vision for the Company and its shareholders will be justified.

Tri-Vision has already contacted potential third party testing facilities to be able to provide v-chip compatibility certification to any manufacturers who may require it. The company has already received such inquiries and is handling them now.

**Tri-Vision Electronics Core Business:**

Due to the recent US Federal and State Elections, there has been a delay in the progress made with regard to continuation of the installations. It is hoped that this delay will be resolved early in the new year. Shipping (from the Tri-Vision manufacturing facility in Toronto) of the latest order for fiber optic interactive media infrastructure for InnVision® Networks L.L.C. of Texas is still not completed.

Tri-Vision continues to market its CATV products, which include Secure Pay TV, Addressable Pay TV (pay per view), Hotel Pay TV, and Interactive systems.

The Company continues to market and develop potential markets for these products. Tri-Vision Pay TV systems are already installed in Australia, Argentina, Canada, Jamaica, Nigeria, Romania, Trinidad, USA, Uruguay and a number of other countries.